



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
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WILLIAM T FUJIOKA  
Chief Executive Officer

March 16, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:  
OLIVE VIEW-UCLA MEDICAL CENTER  
EMERGENCY ROOM REPLACEMENT AND TUBERCULOSIS UNIT PROJECT  
APPROVE CHANGE ORDER FOR RADIOLOGY ROOM BUILD-OUT  
SPECS. 6678; CAPITAL PROJECT 69249  
CONTRACT PW-13253  
(FIFTH DISTRICT) (4 VOTES)**

**SUBJECT**

Approve a change order to McCarthy Building Companies construction contract for build-out of the radiology rooms for the Emergency Room Replacement and Tuberculosis Unit Project at the Olive View-UCLA Medical Center.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and authorize the Director of Public Works to execute a change order to Contract PW-13253 with McCarthy Building Companies, Inc. (McCarthy), for the build-out of the radiology rooms for a \$345,000 not-to-exceed fee.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will allow for the build-out of the radiology suites for the Emergency Room Replacement and Tuberculosis Unit project at Olive View-UCLA Medical Center.

Board of Supervisors  
GLORIA MOLINA  
First District  
MARK RIDLEY-THOMAS  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

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The radiology rooms are part of the project program and budget approved by your Board; however, since the technology of imaging equipment changes frequently, the Department of Health Services (Health Services) elected to defer selection of imaging equipment until the project was closer to completion of construction. Since the equipment selection was not finalized at the time of award, Public Works opted to remove build-out of the radiology rooms from McCarthy's original contract to avoid potentially costly change orders. The cost of the build-out was included in the project budget, to be completed by either the equipment vendor or a Job Order Contract (JOC). The equipment has now been selected, and specifications have been provided by the equipment manufacturers.

Health Services obtained bids from equipment vendors and Public Works requested a bid from McCarthy to compare costs for the build-out. The bids obtained by Health Services were as follows: \$883,704; \$645,000; and \$361,284. McCarthy's proposal is \$345,000. McCarthy is the preferred vendor because its work product has proven to be of consistently high quality and Public Works would be required to manage only one contractor to complete the project. Also, McCarthy will be able to incorporate the construction of the rooms within their construction schedule. Based on this, we recommend that your Board approve and authorize the Director of Public Works to execute a change order to McCarthy for a \$345,000 not-to-exceed fee.

Under delegated authority, Public Works issued a proceed order for a not-to-exceed amount of \$45,000 to McCarthy to provide shop drawings for the structural supports required to support the specified imaging equipment. While the proposed change order would increase McCarthy's contract, it does not change the original scope or budget of the project. Should the Board elect not to approve the change order to the contract with McCarthy, the shop drawings can be used by either an equipment vendor or JOC to complete the work as previously planned.

#### Sustainable Design Program

Not Applicable.

#### Implementation of Strategic Plan Goals

This project supports Countywide Strategic Plan goals of Children, Family and Adult Well-Being (Goal 2), Health and Mental Health (Goal 4), and Public Safety (Goal 5) by investing in public health infrastructure to enhance the safety of patients and staff.

### **FISCAL IMPACT/FINANCING**

The total project cost, including plans and specifications, plan check, construction, utility connection fees, consultant services, miscellaneous expenditures, and County services, is \$53,218,000. The project Budget Summary is included in the Attachment.

This change order will be funded from funds budgeted for change orders. Sufficient funds are available in the Fiscal Year 2009-10 Capital Projects/Refurbishments Budget to fund the recommended action. The project is funded by commercial papers proceeds and miscellaneous revenue for Olive View-UCLA Medical Center improvements, but will ultimately be funded through the issuance of long-term tax exempt bonds.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Section 20137 of the Public Contract Code allows your Board, with a four-fifths vote, to authorize a change order to a construction contract that is less than 10 percent of the original contract amount without having to obtain bids for the work. The recommended change order in the amount of \$345,000 represents 1.05 percent of the original contract amount.

### **ENVIRONMENTAL DOCUMENTATION**

On May 29, 2007, your Board adopted a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program for this project, and the work to be performed under the proposed change order is entirely within the scope of the project addressed by the MND.

### **CONTRACTING PROCESS**

Under the County Code, the Director of Public Works has the delegated authority to execute individual change orders in specified amounts up to a maximum \$150,000 with an aggregate amount of 25 percent of the original contract amount, or \$8,185,459. Since execution of the original contract, 14 change orders have been fully executed in the aggregate amount of \$1,721,217, or 5.26 percent

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

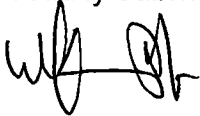
Approval of the recommended action will have no impact on current services or projects.

The Honorable Board of Supervisors  
March 16, 2010  
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**CONCLUSION**

Please return an adopted copy of this letter to the Chief Executive Office, Capital Projects Division; and Public Works, Project Management I.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:GF:SK  
DJT:SW:zu

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Civic Arts Commission  
Department of Health Services  
Department of Public Works

March 16, 2010

**ATTACHMENT**

**OLIVE VIEW-UCLA MEDICAL CENTER  
EMERGENCY ROOM REPLACEMENT AND TUBERCULOSIS UNIT PROJECT  
APPROVE CHANGE ORDER FOR RADIOLOGY ROOM BUILD-OUT  
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CONTRACT PW-13253**

**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>	<b>Revised Completion Date</b>
Construction Documents	03/26/2006*	03/26/2006*
Jurisdictional Approvals	04/17/2007*	04/17/2007*
Advertise for Bids	10/16/2008*	10/16/2008*
Award Construction Contract	01/28/2009	03/10/2009*
Construction Substantial Completion	08/30/2011	08/30/2011
Acceptance of Project	11/30/2011	11/30/2011

\* Actual completion date.

## II. PROJECT BUDGET SUMMARY

Project Activity	Approved Project Budget	Impact of Action	Proposed Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Low Bid Construction Contract	\$32,741,836	\$ 345,000	\$ 33,086,836
Job Order Contract	4,680,156	0	4,680,156
Change Orders	3,000,000	(345,000)	2,655,000
Departmental Crafts	0	0	0
Youth Employment	0	0	0
Construction Consultants	0	0	0
Misc. Expense	1,012,008	0	1,012,008
Telecomm Equip – Affixed to Building	0	0	0
Civic Arts	0	0	0
Subtotal	\$41,634,000	\$ 0	\$ 41,634,000
Programming/Development	\$ 0	\$ 0	\$ 0
Plans and Specifications	\$ 2,820,000	\$ 0	\$ 2,820,000
Consultant Services			
Site Planning	\$ 0	\$ 0	\$ 0
Hazardous Materials	56,000	0	56,000
Geotech/Soils Report and Soils Testing	270,000	0	270,000
Material Testing	425,000	0	425,000
Cost Estimating	40,000	0	40,000
Topographic Surveys	45,000	0	45,000
Construction Management	780,000	0	780,000
Construction Administration	0	0	0
Environmental	105,000	0	105,000
Move Management	0	0	0
Equipment Planning	0	0	0
Legal	0	0	0
Construction/Change Order	0	0	0
Other:	259,000	0	259,000
Subtotal	\$ 1,980,000	\$ 0	\$ 1,980,000
Miscellaneous Expenditures	\$ 10,000	\$ 0	\$ 10,000
Jurisdictional Review/Plan Check/Permit	\$ 490,000	\$ 0	\$ 490,000
County Services			
Code Compliance Inspection	\$ 619,000	\$ 0	\$ 619,000
Quality Control Inspection	0	0	0
Design Review	63,000	0	63,000
Deign Services	0	0	0
Contract Administration	147,000	0	147,000
Project Management	411,000	0	411,000
Project Management Support Services	4,614,000	0	4,614,000
ISD Job Order Contract Management	0	0	0
DPW Job Order Contract Management	0	0	0
ISD ITS Communications	250,000	0	250,000
Project Security	0	0	0
Project Technical Support	90,000	0	90,000
Office of Affirmative Action	50,000	0	50,000
County Counsel	0	0	0
Other:	40,000	0	40,000
Sheriff Job Order Contract Management	0	0	0
Subtotal	\$ 6,284,000	\$ 0	\$ 6,284,000
<b>TOTAL</b>	<b>\$53,218,000</b>	<b>\$ 0</b>	<b>\$53,218,000</b>